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GENERAL

Possible succession to Stalin:

Stalin's expected early demise focuses attention on his two most likely successors, Molotov and Malenkov.

Molotov, by virtue of his senior position as First Deputy Chairman of the Council of Ministers, has always been ranked first after Stalin in this executive and administrative body. He may well reassume the position of chairman, a post which he held before May 1941.

Malenkov, on the other hand, has recently appeared to wield more actual power than any other individual in the Soviet Union except Stalin. In view of the position which Malenkov has attained in the party hierarchy, it is probable that, at the least, he will become Secretary General of the Party, the most important political position in the Soviet Union. Therefore, even as Chairman of the Council of Ministers, Molotov could not be an effective leader without Malenkov's backing. Ostensibly, the regime would be presented as under two-man control in order to give a show of unanimity to the world and to the Soviet people.

Any divided rule would in all likelihood not endure long. Since Malenkov's power position has been steadily increasing thanks to personnel and organizational changes made at the 19th Party Congress, it is believed that he is most likely to emerge as the top Soviet leader.

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SOUTHEAST ASIA

4. Li Mi positive his troops could not be evacuated from Burma:

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Nationalist commander Li Mi told Ambassador Rankin in Taipei that his forces would not obey orders to leave Burma because they would prefer to remain there until they can return

to their homes in Yunnan. Li asserted that he would not transmit such orders since he knew it would be useless.

The Nationalist guerrilla leader also set his current strength in Burma at 26,000, with the best 14,000 troops still located east of the Salween River and therefore close to the Thai border.

Comment: Li's belief that his troops would be unwilling to leave Burma appears logical, although the possibility remains that a token force might be withdrawn. In the light of the best estimates currently available from other sources, however, his strength figure of 26,000 appears highly exaggerated. The extent of Li Mi's control over his troops is questionable.

NEAR EAST - AFRICA

5. American Embassy charged responsible for Iranian crisis:

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Ambassador Henderson reported on 2 March that Iranian Foreign Minister Fatemi had charged that the American Embassy was responsible for the present difficulties in

Iran and that the Ambassador had "personally interfered several times." Fatemi's attitude is shared by several Majlis deputies, who reportedly believe that the Embassy encouraged the Shah to remain because the United States had lost confidence in Prime Minister Mossadeq.

Comment: Charges by Iranian Government leaders that the Embassy had supported Qavam during his brief regime last July were followed by a temporary rise in anti-American sentiment.

6.	Anglo-Iranian Oil Company plans to ship Arab oil to Israel:			
25X1A	The British Foreign Office has recently learned that the Anglo-Iranian Oil Company plans to ship about 125,000 barrels of oil from Kuwait to Israel in 1953, according to American Minister Holmes in London. He gained the impression that no Kuwait oil had been shipped to Israel in 1952, and that although shipments were made in 1952 from the Sheikhdom of Qatar, none is planned in 1953.			
	Comment: The American Consul in Haifa previously reported that $1,800,000$ barrels of Kuwait oil were shipped to Israel in 1952 via South Africa. If the Arabs learn of these transactions, more anti-Western sentiment will develop and some retaliatory action may be taken.			
7.	British military want to station armored brigade in Jordan:			
25X1A	The Chief of the British Imperial General Staff is pressing for his government's approval of a War Office plan to station an armored brigade in Jordan. The Jordan- ian Government agreed to this proposal during recent conversations with the Commander in Chief of the British Middle East land forces.			
	Comment: The proposed move is part of the War Office plans for evacuating troops from Suez. In addition, among other arrangements, the current plans include retaining 5,000 troops at the Canal base and dividing one infantry division between Cyprus and			

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Libya.

WESTERN EUROPE

	Turnel Common Spor dispute
8.	New difficulty arises in French-German Saar dispute:
25X1A	West German Chancellor Adenauer states that in his private talks with the French Foreign Minister in Rome last week, Bidault maintained that any Saar boundary settlement
	now should be permanent, despite Schuman's previous agreement that a final determination of the boundaries would await a German peace treaty. Adenauer declares that this "unacceptable" position would provide a precedent for the permanent detachment of the Oder-Neisse territories from Germany.
	Adenauer also expressed to US High Commissioner Conant his distrust of Bidault's intentions toward the European army project.
	Comment: Bidault recently gave the impression in London that he might be using the Saar issue as a means of defeating the EDC treaty.
9.	British propose "extension" of NATO to 50 years:
25X1A	Britain has offered to extend its guarantee of assistance to the EDC to 50 years if the North Atlantic Treaty is extended for an "additional 30 years."
!	French Foreign Minister Bidault prefers a definite commitment of British forces, a pledge which the British Foreign Office refuses to make.

Treaty, which specifies no time limit, would involve revision of Article 13, providing that signatories may reconsider their membership after 20 years.

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